

The American Observer

A free, virtuous, and enlightened people must know well the great principles and causes on which their happiness depends. -- James Monroe

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U.S. Seeks to Curb Japan by Trade War

Normal Flow of Products Between Two Countries Has Almost Come to Standstill

CRISIS GROWS MORE GRAVE

British and Dutch Join Forces With U. S. to Check Further Japanese Moves Southward

The United States, acting with Great Britain and the Netherlands Indies, is trying to bring Japan to terms without going to war. They are attempting to halt Japanese aggression by shutting off their trade with her. Step by step, they have stopped selling her goods for her war machine and for her industries and they have reduced or stopped their purchases of the things she sells.

After 10 years of protests and warnings and threats, the United States has finally taken decisive action and has been supported by the British and the Dutch. They have let the Japanese government know that the guns are loaded; that further acts of aggression will be met, not with notes of protest but with force.

Economic Warfare

The economic offensive against Japan may well lead to war. Both the Japanese and the American governments realize this. But the United States considers its interests in the Far East so seriously menaced by Japan as to make the risk necessary.

So long as Japan confined her aggression to China, the United States was interested in stopping her largely for sentimental or moral reasons. But since Japan has moved southward, seizing French Indo-China, threatening the Dutch East Indies and Thailand, even placing the great British naval base at Singapore in jeopardy, American interests are directly affected. We depend upon the Netherlands Indies and British possessions in southern Asia for our tin and rubber, and Japan now threatens these supplies.

That is why we have taken such action against the Japanese. We hope to win the struggle with her without going to war. Our government feels that we may bring such strong pressure upon Japan that she will be forced to yield.

Today there is practically no commerce between this country and Japan. Little by little we have been cutting off shipments of gasoline and other oil products, iron and steel, tools which were used by the Japanese to make armaments, automobiles and trucks, and dozens of other products which formerly left our ports in great quantities.

Nor is the United States receiving the large shiploads of raw silk that used to come into our harbors and made up the bulk of Japanese sales

(Concluded on page 7)



AMERICAN YOUTH—FACING A TROUBLED BUT CHALLENGING FUTURE

The Need of the Hour

By Walter E. Myer

"As for the instinct of liberty, it still lives within us, proud and strong," declared Marshal Petain in his address last month to the French people. It is strange that he should have said such a thing at the very time he was depriving his people of the last remnants of liberty and was forcing upon them an iron dictatorship controlled by the Nazis. There is little doubt, however, that the marshal's statement is true. The French people do love liberty and that is why their plight is so tragic. Only a few brief months ago they were free. Now they are reduced practically to the status of slavery. While these people enjoyed their freedom they seemed not to appreciate it. Most of them were so busy getting what they could for themselves that they gave little thought to the national welfare. They were not willing to make personal sacrifices for the common good. Now that freedom is gone, they can see how very precious it was. No doubt as they look back upon the good old days of independence and liberty, they feel as one does who stands in anguish at the grave of a neglected loved one and weeps in belated appreciation.

We in America may profit by the tragedies which have befallen others. We enjoy the benefits and blessings of liberty. We live in greater comfort and security than do any other people. We order our own ways of living, choose our own occupations, and, despite difficulties and discouragements, look to the future with justified hope. We are not perfect, but we are free to seek perfection. There is injustice in the land, but it is our privilege to combat it. Let us remember that these rights and benefits are not only very precious but very rare. Nowhere else on the face of the earth are so many of the good things of life within reach of the common man, and nowhere else are the people so free to improve conditions, so free to engage in the effort to shape the future according to their hearts' desires.

Let us not take all this for granted. Let us appreciate the good fortune that is ours, let us appreciate the greatness of this country in which we are privileged to live. And our appreciation should not be merely passive. We should actively determine to maintain the strength, the spirit, the greatness of America. In these anxious, desperate days which try the mettle of each government and of every people, let every individual, young and old, be worthy of citizenship in a great nation. Let each rise above selfishness, and serve community and nation. You and your neighbor may not agree on the measures which best contribute to the national welfare, but each may, according to his judgment and conscience, subordinate selfish interests to patriotic purposes, and seek unselfishly the common good. Such a quickening of conscience, such a rekindling of the true spirit of Americanism, is the need of the hour.

Rising Prices Seen As National Danger

Inflation May Result From Present Trends in Prices. Many Curbs Are Being Discussed

CONGRESS TACKLES PROBLEM

Urged to Establish Rigid Controls, Pass Tax Measure That Will Cut People's Spending

Prices are going up. They are rising all along the line. People are paying more than they did a few months ago for food, clothing, rent, building materials, and practically everything else. If you spend a dollar today, the chances are that you will get for it only as much as 94 cents would have bought when the war in Europe started.

How much you will get for your dollar will depend, of course, upon what you buy. Sugar is 11 per cent higher than it was two years ago; butter is 36 per cent higher; beans 25 per cent higher; lard 30 per cent; working clothes about 20. Farm products on the average have risen 24 per cent; textiles 25; building materials 13, and chemicals and drugs 14 per cent.

It is certain that the prices one pays for goods at retail stores will rise still more very soon. Wholesale prices have already risen above the figures which we have just quoted and retail prices always follow wholesale prices. If a dealer is required to pay more for the goods he buys at wholesale, we may be sure that he will raise the prices of goods which he sells over the counter.

Danger Ahead

There is danger that these price increases may continue and that they may soon be rising even more rapidly than they are now. That is what usually happens in time of war. During the World War; that is, from 1917 to 1920, prices in the United States more than doubled. A glance at the table on page 6 will show the price rises during that period.

If something is not done to prevent it, prices may rise again as they did during the World War. If this happens, the following are among the effects which may be expected:

(1) On wage earners. People who work for wages will find that each month their wages will buy less than the month before. They will then clamor for increases of wages. This will lead to disputes with employers. There will be industrial difficulties and unrest. Workers will obtain wage increases, but wages will probably not go up as fast as prices do. Hence, the worker will at all times be worse off than he would be if the prices were not rising rapidly.

(2) On people who work for salaries. Salaried classes, including school teachers and government employees, will be badly hurt, for salaries are usually not changed as frequently as wages. If, for example,

(Concluded on page 6)

Analyze Yourself!

First of a Series of Tests by Which You May Determine Your Rating in Civic Efficiency, Personality, and Character

ANYONE who wishes to become really educated must watch his development closely. He must see to it that he is making progress along the right lines. One should not, of course, spend too much time analyzing himself. That would make anyone morbid and unhappy. But it is a good thing to decide upon a few goals which should be achieved and then one should see to it that he is going in the direction of those goals.



Do you join in discussion of public problems?

THE AMERICAN OBSERVER will have a number of suggestions from week to week about the goals one should strive for in seeking a broad education and in developing personality and character. This week we may as well begin with a consideration of certain habits; that is, habits of reading, thought, and conversation which each student should develop.

You will find below a number of questions about yourself. Our suggestion is that you answer each of them with complete honesty. You need not tell anyone what your answers are, but write them down. Perhaps you should grade yourself on the questions. If you can answer the question completely in the affirmative, give yourself a grade of 10. If you have to give an unqualified "no" to the question, mark yourself zero on that particular question. You may mark yourself all the way from zero to 10, depending upon the degree to which you have formed the habit indicated.

After you have graded the questions, you may then put the chart away. Try to improve on the questions on which you have a low grade.



Do you spend time in worthwhile reading?

Then in a few weeks, take the chart out again and grade it. You may then see whether you are making improvement.

Here are the questions with which we start this week:

1. Do you spend quite a little time each day in reading that you really enjoy?
2. Do you do reading which you not only enjoy, but which gives you needed information or inspiration?
3. Do you frequently do reading which is quite difficult; that is, reading which calls for some use of the dictionary and quite a little thinking?

4. Do you read a daily newspaper regularly?

5. Do you read at least one magazine regularly?

6. Do you read at least one book of a serious character—a book on some public problem—during each year?

7. Is your reading sufficiently varied so that you are familiar with different points of view; for example, in the course of a month do you feel that you get the ideas of such opposing groups as those who think we should take part in the war and those who believe we should stay out of it; of Republicans and Democrats, businessmen, farmers, and workers?

8. Are you a good conversationalist—able to listen as well as talk?

9. Can you be interesting in conversation without trying to be funny all the time?

10. Can you argue forcefully without showing irritation or aggressiveness?

11. Do you really respect other people's opinions?

12. In conversation do you enunciate clearly and have you a pleasing voice?

13. Do you spend some time each week in conversation on serious matters; that is, on economic, political, or international problems?

14. Do you try conscientiously to understand the arguments of those with whom you argue?

15. Do you spend on the average 10 hours a week in reading, thought, or discussion relating to public problems?

16. Are you better informed on any one problem than is anyone else in your school or community?

17. When you read an editorial or listen to an argument on the radio or



Do you arrive at your opinions thoughtfully?

in conversation, are you critical; that is, do you stop to wonder what the other side has to say on the subject?

18. Do you study arguments or supposed statements of fact which you read or hear to see if they contain errors?

19. Do you watch for evidences of crooked thinking?

20. Without being suspicious of everything that you read or hear, are you on guard against being "taken in" by propaganda or by false arguments?

It is by no means necessary that one be able to give himself a high mark in the case of every one of these questions. Probably no individual could do that. It is highly desirable, however, that one should make good marks on a large number of the points. And if one is to become really well educated and successful, he should be adding to the number of his good marks week by week, month by month, and year by year.

This text and others which follow should be helpful to you if you use them definitely for self-improvement. Much depends upon whether you take them seriously. For example, consider the third question. If you find that you do very little reading which calls forth your best effort, you will do well to turn your attention to some book or magazine difficult enough to put your mind to work.



TOWN HALL OF THE AIR

DISCUSSION PROGRAMS on the radio offer listeners an opportunity to hear both sides of a question.

Chicago Round Table

ONE of the most interesting and informative radio programs dealing with the discussion of public problems is the University of Chicago Round Table broadcast. It is presented every Sunday afternoon from 2:30 to 3 o'clock, Eastern Standard time, over the NBC hookup.

On this program, several well-informed persons engage in an informal conversation on some problem which is prominent in the news. There is no speechmaking, but instead the participants attempt to get at the facts in the case of each question discussed. They also express their opinions on the points of controversy, arguing back and forth on the issues involved.

The advantage of this program over others in which speakers participate is this: In the case of the latter, one speaker will deliver an oration on why he thinks thus and so. Then another speaker will give his opinions on the subject. In most such discussions, there is very little

give-and-take. The speakers do not argue out one point until they are finished with it and then go on to another. Instead, they engage in a hit-or-miss verbal combat, and when they are finished their listeners are likely to be more confused than enlightened.

But the Chicago Round Table participants go to the heart of problems; they interrupt each other frequently to ask a question or to stress a point. Their form of discussion is much more natural, and is more likely to lead to truth, than the speechmaking variety. We strongly recommend this program to the readers of THE AMERICAN OBSERVER.

In our opinion, the most effective program in which speakers participate is The Town Meeting of the Air. This group has worked out a technique which is both interesting and highly informative. But the Town Meeting program does not begin until late in the fall. We shall have more to say about it in later issues of this paper.

"Sergeant York"

IT is not often that one has the opportunity to see as fine and as honest a motion picture as "Sergeant York." With sincerity, and with great dramatic effect, it tells the story of a young man's struggle with his conscience in wartime—a young mountaineer who, when he came to believe in the cause for which he had been sent to fight, turned into the greatest and most famous soldier of the American armed forces in France.

Gary Cooper plays the lean and hard-muscled Alvin York with rare understanding. As the brawling young Tennessee mountaineer who "gets religion" when a bolt of lightning knocks him off his horse and melts the barrel of his rifle; as an unwilling soldier drafted into the Army against his conscience; and

finally, as the fighting sergeant in the shell-swept Argonne forest, his performance is uniformly skillful and dramatic.

There are other fine performances, notably those of Joan Leslie as the girl; of Walter Brennan as the mountain storekeeper and country preacher, and of Margaret Wycherly as Alvin York's mother, but it is the picture itself that will be especially remembered. For it deals with great issues and reflects magnificent character and courage.

It is a picture which tells a story—and a true story—of complete integrity. Alvin York was a pacifist but that did not mean he was a man who was afraid. He pondered in his own fashion the issues of his time, and came to the belief that he must fight for his country's freedom and his friends. But when he returned from the war a hero, he refused to commercialize on a fame gained by taking the lives of others. Throughout the dramatization the complete integrity of the central character is maintained.

Seeing "Sergeant York," one gets a new sense of the dignity of man, of the qualities which are bred in an atmosphere of freedom. It is characteristic that Sergeant York, who lives quietly in Tennessee, would not permit the making of a motion picture based on his life until he felt that democracy had again come under the shadow of threat.



WARNER BROS.

From a scene in "Sergeant York."

Seeing South America...

THE war has drawn the Americas closer together and has made the people of North and South America more conscious of their dependence on each other. There is a very common feeling that the nations of the Western Hemisphere must stand together. The importance of understanding Latin America is realized more and more in the United States.

In order that I might obtain firsthand information about the people of South America and their problems and that I might pass this information on to the readers of THE AMERICAN OBSERVER, I spent the summer there. It is my purpose to write about my observations in this paper from week to week.

I made this trip with a niece who had just graduated from high school. We left the United States at Brownsville, Texas, and flew all the way, traveling by the Pan American Airways. We stopped a few days in



Walter E. Myer

Mexico City, then went on to Panama. We then flew down the west coast, stopping in Colombia, Ecuador, Peru, and Chile. From Santiago, Chile, we crossed the Andes Mountains, visited Argentina, after taking a side

trip to Uruguay, passing through Paraguay and Brazil. We returned to the United States by way of Puerto Rico and landed at Miami, Florida. Pan American has a daily service from Brownsville to Panama. From that point on around South America, the flights are made three times a week. The planes do not fly by night. Ordinarily, they take off at from seven to nine in the morning and fly until three to five in the evening. The reason for this is that the route has not been supplied with beacon lights and the airports do not have lighting equipment so as to make night landing safe. The South American countries have not provided such equipment, and it would cost too much for the Pan American Company to furnish it.

Hence, there is a rule in most of the countries that the planes must land before sundown. This is a convenient arrangement for travelers, for it permits them to spend evenings and nights in a number of places which they would not care to visit for a longer time.



FLYING CLIPPERS, carrying passengers and mail, have brought the Americas closer together.

The planes are frequently behind schedule. It is not at all unusual for a plane to be at least a day late. One reason for this is that the Pan American Company is extremely cautious about flying in bad weather.

We saw an illustration of this caution when we were in Lima, Peru. We intended to fly from Lima to La Paz, Bolivia, and went down to the airport early in the morning. It was very foggy, however, that morning, as it frequently is in the vicinity of Lima. We were told that the fog extended only a few miles beyond Lima. The pilot could have flown the plane out of the fog at any time he cared to do so. He could have done it with entire safety. The trouble was that once out of the fog, he could not have flown back to Lima and landed safely if something had gone wrong with the engine.

Safety First

There was not one chance in a hundred that anything would happen that would require the plane to return immediately after having taken off, but the company did not take that one chance. As a result, we sat at the airport until the middle of the afternoon, waiting for the fog to lift. When it did not lift until too late, the flight was called off.

Inasmuch as the flight to La Paz was made only once a week, we missed getting to Bolivia. We also missed a visit to Venezuela because there was a fog at Sao Paulo, Brazil, and this threw the plane a day off schedule. This was disappointing, but we appreciated the fact that Pan American is so careful. As a result of their caution, they have not lost a passenger in 10 years; whereas, German planes and those operated by South American companies have had many crashes.

The pilots on all Pan American planes are Americans; that is, citizens of the United States. Stewards are almost without exception South Americans, although they all speak English. Nearly all the airport employees are citizens of the country in which the airport is located, but most of them speak English.

One who does not speak Spanish has little difficulty getting about in South America; that is, in the larger cities. He is almost certain to find a clerk who speaks English in the hotel, and perhaps one or more of the waiters will be able to speak some English. In most of the larger stores there are clerks who speak English. In certain of the countries, there are

many people who have some knowledge of English. It is taught in all the high schools.

In each high school that I visited, students were required to study some foreign language. Where the choice was left to them, a large majority of them were studying English. Quite a few studied French, and a few, though a much smaller number, studied German. In some of the high schools practically all the students were studying English.

Not only do the students study English, but they seem to go at it much more seriously than students here do in their study of foreign languages. They have two incentives for this. For one thing, they want to master English, so that they can understand the movies. Nearly all their movies are from the United States, and the dialogue is, of course, in English. The captions in Spanish are like the captions which we used to have in the days of the silent movies, but the young people like to have command of the English well enough to understand exactly what is said.

Furthermore, if students are going into any of the professions; for example, if they are going to study medicine or engineering, it is almost necessary for them to be able to read English, French, or German, for many of the important books on the subjects are in those languages, and few of them are in Spanish or Portuguese. In Rio de Janeiro, I was told that about a third of the educated people could speak English. The estimate seems about correct.

Interpreters

I did not depend, however, on finding people who spoke English for the information I wished to get in the South American countries. Whenever I went into a new country, I employed an interpreter to go about with me; someone who not only had a command of the native language and English, but who was also well informed, who had an understanding of economic, social, and political problems. We would then get a car and drive about through the cities and out into the farming regions. I was able to find out a great deal about living conditions and the problems of the people by talking to the interpreter, and I could find out still more by going about among the city people and the farmers, seeing how they lived and talking to them and getting their ideas through the interpreter.

It was in this way that I obtained facts about what the people are doing and thinking—information which it is my purpose to give you from week to week. My remarks this week have covered a few general facts pertaining to the trip. Hereafter, we shall take up separately the different countries which we visited.

—WALTER E. MYER



The route traveled through South America

♦ SMILES ♦

Prospective Tenant: "I like this room, but the view from the window is rather monotonous."

Landlady: "Well, naturally, this is just a boardinghouse; it isn't a sight-seeing bus." —SELECTED

Photographer: "Watch and see the birdie."

Modern Child: "Pay attention to your exposure or you'll ruin the plate." —Atlanta Two-BELLS

A silk hosiery manufacturer and an aluminum household utensil manufacturer sat next to each other at the club. Both remained quiet for many minutes, gazing with worried and beaten expressions into space. Finally one of them gave vent to a long-drawn-out sigh. The other looked around sympathetically and said:

"You're telling me!" —SELECTED



GERARD IN SATURDAY EVENING POST

To trick British airmen into throwing away bombs, the Nazis in Holland built a fake airfield of wood, with hangars and planes painted on it. The night after it was finished a British plane flew overhead—and dropped one wooden bomb. —ANSWERS

"What makes you think he's an efficiency expert?"

"Well, he always waits to make up a foursome before passing through a revolving door." —SELECTED

"I'm worried—it's raining and my wife is downtown."

"Oh, she'll probably step inside some store."

"That's why I'm worried." —LYRE

"My shaving brush is very stiff," complained the husband. "I wonder what's wrong with it?"

"I don't know," said his wife. "It was nice and soft when I painted the bird cage yesterday." —CLASSMATE

The Week at Home

Defense Quarrel

There has been a sharp dispute in recent weeks over the progress the nation is making in building up its defenses. Some critics go so far as to say that we have accomplished very little in the last year, while certain supporters make wild claims of the great strides made.

The truth, as usual, lies somewhere between these two extreme views. Anyone who looks over all the evidence cannot but come to the conclusion that considerable progress has been made. For example, 784 new arms factories were started last November and they will all be completed by the end of this month. Moreover, the June figures show how many more military weapons were

fields are in other parts of the United States. The largest producing area extends from central Kansas through Oklahoma into Texas and Louisiana. Texas alone produces nearly half of the nation's oil. The other important oil states are California, which ranks second, and Illinois.

In normal times, oil is sent from these fields by underground pipe, rail, or truck to ports along the Gulf of Mexico. At these ports, it is loaded on ocean-going tankers and shipped to refineries along the Atlantic Coast.

Ordinarily about 350 tankers go back and forth between the Gulf and Atlantic ports. Some time ago 50 of these were taken off this route to carry oil to England. That meant less gasoline for the eastern states, since there are not enough railway tank cars and pipe lines to take the place of the tankers.

Work has already started on 139 new tankers, and large numbers of workers will soon begin to lay an 1,800-mile pipe line from the oil fields of Texas to refineries in Philadelphia and New York City. The new pipe line will carry as much oil to the East each year as 62 tankers could transport. It will be completed in about 10 months.

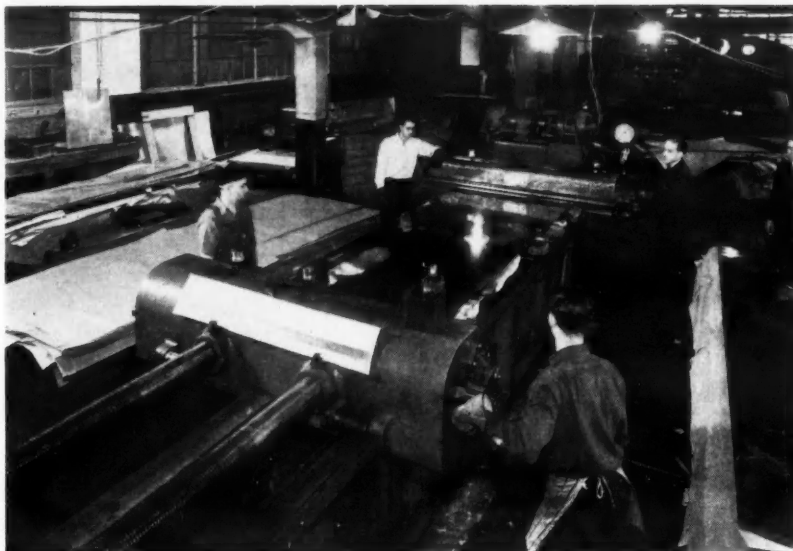
Busy Congress

Congress has buckled down to work again after taking the only vacation which it has had since the present session started on January 3. Even during the brief recess which the members permitted themselves in the last half of August, the two houses met informally several times a week, and committee meetings were going on almost constantly.

Just before taking time off from its labors, Congress passed a law which extends the term of service of men in the Army. The new law allows the President to keep them under arms 18 months beyond the time when they were to have been released. For men who were drafted, this means that instead of leaving the Army at the end of one year, they may be kept a total of 30 months.

Army officials declare, however, that this rule will be applied only to the extent that the national emergency requires. Release at the end of their original term of service, they added, is still in store for a large number of men.

The record of 1941 in Congress, however, is chiefly one of appropri-



REYNOLDS METALS CO.

ALUMINUM is the most desperately needed of all metals for the defense program. It is vital to the manufacture of airplanes and it is needed for other military purposes. United States production of aluminum is being tremendously increased.

ating billions upon billions to equip and build up the Army and the Navy, to establish scores of new defense industries, and to aid Britain.

On the other side of the ledger is the problem to be settled in the weeks ahead—the tax question. Congress must decide how much to increase taxes and what new taxes to impose.

Big Man, Big Job

"A big man in a big job" is a good way to describe Leon Henderson. He is a big man, weighing more than 200 pounds. And he certainly has a big job, one of the most important in the defense program.

It is his task to investigate the extent to which prices of all kinds of products are rising, to learn why they are rising, and to report what might be done to keep them down to a reasonable level. In addition, he must see to it that business and industry do not concentrate so greatly on military orders that they are unable to supply essential goods for the civilian population. His official title is administrator of the Office of Price Administration and Civilian Supply.

From his school days to the present, Mr. Henderson has been fascinated by statistics and what they mean in human terms. Few men in the country, if any, can equal his ability in collecting a mass of facts on a subject and then piecing them together into a clear picture.

Mr. Henderson obtained his first government position by criticizing

General Hugh Johnson's handling of the National Recovery Administration so capably that General Johnson invited him to come into the NRA and try to make it work better.

In 1936 Harry Hopkins, then head of the Works Progress Administration, made Henderson consulting economist of the WPA. In that position, he collected a wealth of information on why people were on relief, as well as vital facts about their living conditions. He proved so valuable with the WPA that he has been in great demand since then, having made important studies for several other government agencies before being appointed to his present position.

Ships of Mercy

Every week an average of six ships weigh anchor in United States ports and begin their journey across the Atlantic with Red Cross supplies for England. Clothing and medical stores make up most of their cargoes; by the middle of the summer 4,000,000 garments and 25,000,000 surgical dressings had been sent to the British people. Since the war began nearly 350 vessels loaded with Red Cross supplies have gone to English ports.

This relief accounts for \$25,340,000 of the \$47,087,000 worth of goods which the Red Cross has dispatched throughout the world to war-stricken peoples. To the extent that wartime conditions have permitted, aid has also been sent to the British Middle East, China, France, Finland, Spain, Poland, Norway, Belgium, Greece, the Netherlands, and Yugoslavia.



ACME

PRICE EXPERT is Leon Henderson, head of the Office of Price Administration and Civilian Supply. Henderson warns of high prices and inflation.

being turned out monthly this year than last.

	June 1940	June 1941
Military planes	415	1,061
Airplane engines	900	1,800
Light tanks	20	260
Medium tanks	0	130
Garand rifles	6,500	22,500
Machine guns	152	693
Antitank guns	4	15
Other heavy guns	44	90

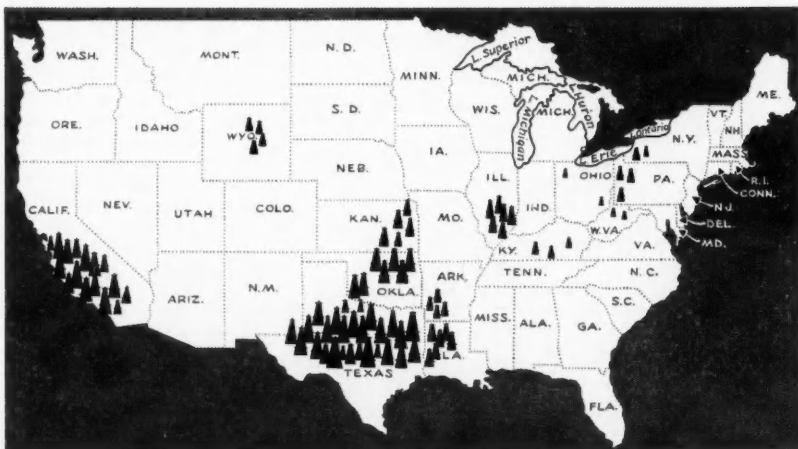
Today, of course, there are still more of these weapons being produced than in June. But the country cannot be too optimistic over the results thus far. We have not even begun to build certain types of big guns and heavy tanks which are absolutely essential to a modern fighting machine.

Progress has been held up by confusion, disagreement, and lack of central planning in Washington; also by selfishness and lack of patriotism on the part of certain businessmen, workers, and other groups of the population. It is generally admitted that if we expect to have a really powerful military machine within the next year, there must be a maximum of cooperation among the people and a willingness to undergo many sacrifices.

Gasoline Shortage

How long will the people in the East have to cut down on the amount of gasoline they use? The answer depends on how soon the country can enlarge its facilities for transporting oil to the Atlantic Coast.

The difficulty is that the big oil



U. S. OIL RESOURCES are concentrated in a few states. A lack of transportation facilities has brought a shortage in the eastern part of the country.

The American Observer

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The Week Abroad

The War in Russia

Claims and counterclaims, propaganda and counterpropaganda, plus the absence of neutral observers at the front, make it practically impossible to follow intelligently the progress of the German-Soviet war. It is futile, therefore, to speculate upon its final outcome.

The outcome of the war in Russia will be determined not by the amount of territory seized by the Nazis but by their ability to smash the Soviet armies. However deep they may penetrate into Russian territory, they cannot win the eastern war and bring the Soviets to terms unless they can destroy the Red Army as a fighting force. For, so long as Russian armies stand, Hitler will have to keep a gigantic army in the east and will be unable to unleash his war machine elsewhere.

Whatever losses Hitler may have inflicted upon the Soviets, he has not yet been able to deal a fatal blow to the Red Army. Along the three

Stream, it seemed far away and contained no riches. Thus, in the narrow coastal plains between mountains and glaciers, the Icelanders were left to themselves. For nearly a thousand years they fished the rainy seas nearby, raised their vegetables, and followed simple democratic methods. Controlled by Denmark for a century, Iceland was declared independent this year by its parliament, the oldest in the world.

Early in 1940, British troops came to Iceland to keep the Germans out. Today, American troops are there beside the British, blasting roads through rocky soil, hewing airfields out of lava beds and establishing a great air and naval base for forces participating in the battle of the Atlantic.

The Near East

Until recently Iran, formerly Persia, was one of the few states in the Near East which had escaped the direct impact of the war. With its

mediate expulsion of all Nazi citizens. To enforce their demands, the British and Russians massed troops at Iran's borders, and when the Shah refused to yield, they marched into the country.

"The New Disorder"

The unhappiness of France is one of the great facts of the war which no amount of censorship can conceal. The virtual prisoners of Nazi Germany, their land divided and occupied, their freedom gone, their food stocks low, their sons still held in enemy camps, the French have reached a depth of misery unequalled since the days of the Revolution.

The spirit of resistance, however, is not dead. Stories are multiplying of the derailment of trains, the blowing up of factories, the assassination of German soldiers and officers—stories of daily occurrences unchecked by increasingly severe Nazi reprisals.

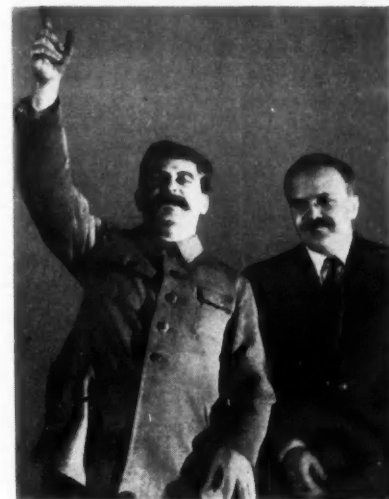
Since the defeat of the French armies on the western front, Hitler has sought to entice France into the new European order. By cooperating with the Reich to hasten the downfall of Great Britain, Frenchmen have been told, they have a chance to restore something of their country's power and prestige.

This argument has proved effective in Vichy, where the regime of Marshal Pétain has taken one step after another to ally France with the Axis. The French fleet has not yet been turned over to Hitler, nor have French African bases been placed at his disposal. But industrial plants in both occupied and unoccupied zones are being forced to work full time to feed the Nazi military machine.

Marshal Pétain recently admitted that this policy is widely resented by Frenchmen. The admission was unnecessary. Facts which have leaked out through the censorship indicate that the French are doing everything within their limited power to wreck the Vichy policy.

Stalin the Georgian

In recent newsreels showing a meeting between British and Russian leaders in Moscow, Josef Stalin was to be seen standing against a wall. He seemed pale. He appeared to have lost weight. His smile was



WIDE WORLD

STALIN AND MOLOTOV, premier and foreign commissar of the Soviet Union, work out the foreign policies of Russia.

tired, and his eyes betrayed the utter weariness of a man who has been shouldering a tremendous burden. But it was characteristic of him that he should be in the background. He has always liked power, but he has wielded it behind the scenes by choice.

Yosif Visarionovitch Dzhughashvili, which is his real name, was born of a very poor family in the mountains of Russian Georgia, 62 years ago. Little "Soso" had been a good boy, his mother said later, and he was sent to a theological school. At the age of 18 he turned revolutionary and then changed his name to Stalin (Russian for "steel").

Stalin was not a romantic adventurer like other revolutionists of his time. While others traveled abroad he remained at home, scheming, working tirelessly, and building up the machinery of the Communist party. He was a man of infinite patience. He waited for his chance in silence. The revolution of 1917 came and went, but still he did not move. Not until after the death of Lenin, the Bolshevik leader, in 1924, did he bring his machine into action and establish himself as dictator.

Stalin's real personality has been one of the world's puzzles. Like Peter the Great, he has been a builder. He has also been incredibly ruthless in destroying his enemies. Very few people know much about him. His speeches and personal appearances have been few and far between. It was not until this spring that he left his position behind the scenes and appointed himself to the office of premier. But just as he wielded the power before, today he carries a heavy burden of responsibility, facing his greatest test.



GERMANY'S GAINS in Russia, up to late in August, as shown in plain black on the map, are not large compared to the size of Russia. It should be remembered, however, that Germany is advancing into the best industrial and agricultural region of Russia.

principal fronts—around Leningrad in the north, in front of Moscow in the central sector, and in the Ukraine in the south—the Russians are reported to have retreated in orderly fashion, maintaining their armies intact.

If Germany seizes too much territory, however, the Russian position may be threatened in another way. The chief manufacturing industries are located in western and central Russia, as are the farms which produce the bulk of the country's food supplies. If Hitler conquers enough of this vital territory, the Russians may not have sufficient supplies and equipment for her armies and resistance may collapse.

Much will depend upon the extent to which Russia has developed industries beyond the Ural Mountains. It is said that during recent years large iron and steel mills have been established in the interior and that war industries of all kinds have been set up. If this is true Russian resistance may continue for a long time.

Allies in Iceland

Until quite recently the world paid very little attention to Iceland, that ancient, treeless little democracy on the Atlantic fringe of the Arctic Circle. Though warmed by the Gulf

northern and western approaches guarded by high mountain walls and uncharted deserts, it once remained securely removed from the main currents of the struggle.

But as the war has moved eastward, it has also overrun Iran's natural barriers to make that country the center of an intense diplomatic struggle between Germany, on the one hand, and Britain and Russia, on the other.

Iran, more than twice the size of Texas, has rich oil resources which help power the British fleet. It has a newly completed railroad running from the Gulf of Persia to Caspian ports. Roads lead from its northern provinces into Russian-held Caucasus, whose war resources Germany covets. The Caucasus produces 90 per cent of Russia's total oil supply. And, finally, Iran's eastern frontiers touch upon the fringes of India, Britain's prize imperial possession.

For some months, German nationals have been arriving in Iran in the guise of tourists. The British place their number at over 3,000 and charge that they are secret agents engaged in fifth-column work.

Fearful that these agents would succeed in placing the country in the hands of a pro-German government, London and Moscow exerted pressure upon Reza Shah Pahlevi, the Iranian ruler, to order the im-



OFFICIAL U. S. NAVY PHOTO FROM INT'L NEWS

ICELAND, a short time ago, was a comparatively forgotten island in the North Atlantic. Today it is an outpost of the Western Hemisphere, a naval and air base for ships and planes in the U. S. Atlantic patrol.

National Danger Seen in Rising Prices

(Concluded from page 1)

a teacher is employed to work for a year at a stated salary, the salary is not likely to be increased during the year, even though prices rise all along the line.

(3) People who save money. A man buys a hundred dollar government bond. The government agrees to give him the one hundred dollars back when the time for payment comes. But suppose at that time the hundred dollars will buy only half as much as when the man lent the government the money. It means that he has lost half the value of his money. The same thing is true of one who saves his money by carrying a life insurance policy. A man, for example, has a policy of \$1,000. He pays money into the company for years. He dies and the company pays his wife and children \$1000. But the \$1000 will buy only as much as \$500 would have bought when the money was turned over to the company in the regular payments.

(4) The defense program. If prices double during the next two or three years, as they did during the World War period, it will be disastrous to the defense program. The government will collect a certain amount of money to buy defense materials. Then the prices of these materials will rise and it cannot buy as many of them as it needs or as it had intended to buy. If prices double, the cost of the defense program will be doubled and the national debt will mount rapidly.

(5) Stability of business. After prices rise rapidly for a long time, they finally come down again. When this happens, there is a financial crash and business depression.

The fact is that prices are rising, that they are likely to rise even more rapidly, and that this creates a dangerous situation. What, then, is to be done about it? Action has been taken, or is being considered, along several lines:

Possible Curbs

(a) The control of prices by the government. Last spring there was set up an agency called the Office of Price Administration and Civilian Supply (OPACS). At its head is Mr. Leon Henderson (see page 4). This office watches prices and when the price of some particular article



Don't let it get away
LEE IN PORTLAND OREGONIAN

which is scarce and which the government needs rises rapidly, the agency sets the price; that is, it announces the price which it considers fair and tries to get all dealers to hold to that figure.

The OPACS does not have the power to enforce its rulings. If a dealer wishes to ignore Mr. Henderson's advice, he is at liberty to do so. If, however, he is producing an article needed in the national defense, the government can take his plant over and operate it. It thus has a club to hold over him and dealers usually accept the prices which the OPACS sets. A number of proposed price increases in defense articles, such as copper, have been prevented by OPACS warnings.

Bill Before Congress

There is a bill now before Congress to put teeth in the government's price-fixing activities. This bill gives the President the power to fix the price of any article and to compel dealers to hold to that figure. The bill also gives him the power to fix rents in areas where defense work is going on. This method of directly fixing prices can be used to keep the prices of certain articles from getting out of line, but it would be very hard for the government to take over the job of fixing prices at which all goods could be sold.

If, for example, the government tells a factory owner that he cannot sell his goods at more than a certain price, he may reply that the cost of the raw materials which he uses are rising and that he will have to go out of business unless he can get these raw materials cheaper. Then the government will have to fix the price of raw materials. The raw material producers may then say that they cannot produce their goods at a profit unless the government keeps the wages of their workers down or cuts transportation costs, and after a while the government may find itself obliged to regulate the price of practically everything. It may have to maintain a whole army of price-fixers and there will be little freedom left in private industry.

The point should be emphasized, however, that although it is very hard indeed for the government to control the prices of articles in general, it may curb the prices of certain products which are badly needed by the government and which are going up faster than general prices.

(b) The reduction of buying by

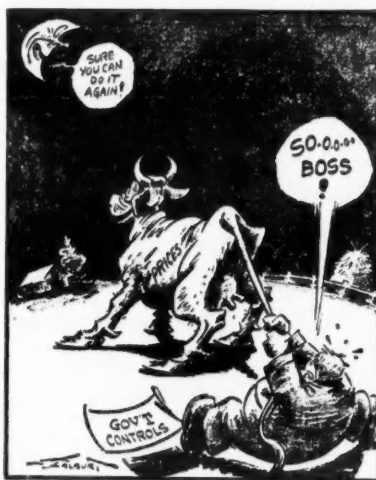
the public. This remedy, if properly applied, gets at the root of the whole trouble of price increases and strikes at a general rising of the price level. Prices in the United States are rising because the demand for goods is increasing faster than the supply of goods is. The people of the nation have been buying all that was being produced by the farms and factories of the United States. They want to keep on buying these things, but at this point the government comes into the picture to do a great deal of buying for its own use—buying for

other goods and materials. The demand from the public would go down as the demand for goods from the government went up, and prices would not rise.

The same result would be brought about if the government should pay for its defense program by borrowing money directly from the people. If, for example, your neighbor who had intended to buy a car should lend the government one thousand dollars instead of buying the automobile, the demand for cars would be cut down; the tendency for automobile prices to rise would be reduced. If all the people of the United States were to do the same thing, there would be a check on rising prices all along the line.

Borrowing from Banks

If, however, the government should not increase taxes very much and should not raise much of its money for national defense by selling bonds directly to the people, how will it get the money? It will get its money by borrowing from the banks; by borrowing from the banks money



The ground crew seems to have its hands full.
TALBUT IN WASHINGTON NEWS

the defense program. It is buying a thousand kinds of materials and articles for defense production.

During 1941 it has been buying these things at the rate of half a billion dollars a month. During 1942, it will buy them at the rate of a billion or a billion and a half dollars a month. This has greatly increased the demand for goods—the competition in buying goods. The government and the people together are trying to buy more than is being produced by the farms and factories and mines. And when you have a number of buyers trying to buy more than there is to be sold, prices go up. Hence, prices are rising in this country.

The situation would be relieved if all the people of America who have money to spend should say, "Since enough goods are not produced in the nation to supply the government's needs and at the same time to give us as much as we have been buying, we will simply buy less," then as the demand for goods by the government increased, the demand by the public would decrease. There would be no more bidding up of goods, no more competition in buying than there is now.

Heavier Taxes

But the public will not say that. The people will not cut down their purchases so long as they have money to spend. Suppose, however, that the government took their money away from them, or a large part of it, by taxing them more heavily. Suppose the government, acting through Congress, declared, "As we increase our purchases for national defense goods, we will increase taxes. Thus, we shall make the people pay for these things as we go along." Then the people would have less money with which to buy goods. They would buy fewer automobiles, refrigerators, and radios and

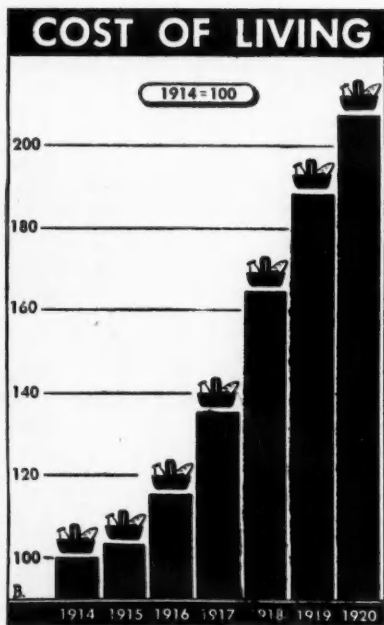


"And everywhere that Mary went . . ."
BRESSLER EDITORIAL CARTOONS, N.Y.

which they hold in reserve and which they are not spending for purchases of goods. In that case, the government will get money to buy goods needed in the defense program and the people will still have as much money as they have had to make their purchases. The result will be a great increase in the buying of goods, and the demand for goods and prices will continue to rise rapidly.

The course actually being followed by the government is a compromise. It is increasing taxes considerably and is selling the public as many bonds as they will buy. But it is still relying chiefly upon loans from the banks—still relying upon the method of raising money which means increasing prices. The reason it is doing this is that the people do not like to pay heavy taxes, and Congress is afraid to go too far, lest the public will disapprove their action. And the people still prefer to spend money for things which they want, rather than to buy a sufficient quantity of government bonds.

The upshot of it is that some things are being done to hold back the rising prices, but not enough. Prices are likely to continue to rise until the people in general realize the danger and until they are willing to make sacrifices in order to check the rising tide of inflation.



THE COST OF LIVING rose sharply between 1914 and 1920, the period covered by the last war.



JAPANESE TOWNS are often crowded against the hillsides and living accommodations are generally poor. Japan's economic position does not afford a high standard of living for the people.

U. S. Attempts to Check Japan by Trade Offensive

(Concluded from page 1)

to this country. The economic warfare we have declared upon Japan is being felt by every American woman who realizes that she may soon have no more silk stockings and by the hosiery workers who may be thrown out of jobs.

The United States, Great Britain, and the Netherlands Indies know they are hitting Japan at one of her weakest spots, for the Japanese, more than almost any people on earth, must have foreign trade or perish.

Japan's past strength has been built largely on foreign trade. Japan proper, consisting of four principal islands, has a population of nearly 75,000,000 persons, about three-fifths as many as the United States. Yet its total territory is smaller than that of the state of California.

To make matters worse, only one-sixth of Japan's land area is suitable for cultivation. The rest is mountainous. To feed the large population, half of the arable land is turned to rice, the staple food of Japan.

Foreign Trade Vital

Despite these handicaps of nature, the Japanese have managed to get along by means of a high degree of industrialization. They have had many difficulties to overcome for they possess few of the things an industrial nation must have. They lack most of the raw materials for manufacturing.

Foreign trade has enabled Japan to surmount these obstacles. She has imported the machinery to manufacture goods, or the materials to make the machinery. She has imported oil to operate her industries. She has bought from abroad the raw materials that go into her manufactured products—the raw cotton and rubber and wood pulp.

To pay for these foreign goods Japan has sold her goods throughout the world. Her cotton textile goods have found a market not only among the backward nations of the Orient, but also in South America, the United States, and the British Empire.

Japan has had to buy little food abroad because the Japanese diet consists largely of rice and fish, both of which are produced in great quantities. She has concentrated on buying abroad those goods and materials which were essential to keep her industries running.

The Japanese have had another

advantage in their silk industry. More than a third of all the 5,500,000 farms in Japan engage in the production of silkworms. Some 18,000,000 persons derive all or part of their incomes from this industry.

In the past, the United States has kept the Japanese silk industry flourishing. We have long been Japan's best customer and four-fifths of our purchases from her have been made up of raw silk. We have been taking 90 per cent of all the silk she sold abroad.

This trade was by no means a one-sided affair. Normally, Japan was our third best customer. Only the United Kingdom and Canada bought more from us. Japan was particularly important to the cotton producers of the United States because she was the largest buyer of American cotton. As recently as 1931-1936 she alone took one-fourth of all the American cotton that was sold abroad.

In normal times, Japan absorbed half of our imports to Asia. We sold as much to her as to all South America.

Since the beginning of her war with China, in 1937, Japan has concentrated her purchases in this country upon war materials, curtailing her imports of such things as cotton, tobacco, wood pulp, lumber, and fertilizer, and buying larger quantities of oil products, machinery, scrap iron, copper, iron and steel products, and various other war materials.

From 1937, until this year, more

than two-thirds of our total sales to Japan were made up of war materials. We were practically an arsenal for Japan in her war against China. Of every dollar spent by Japan in this country in 1939, for example, 70 cents went for war materials.

War Supplies

In individual items, we see how important we have been to Japan. In 1938, we supplied her with 65 per cent of her oil purchases abroad; by the end of 1939, the figure had jumped to 85 per cent. In 1938, we provided her with 91 per cent of her scrap iron; 98 per cent of her ferro-alloys (materials used in the manufacture of steel); 92 per cent of her copper; 77 per cent of her automobiles and parts; and 77 per cent of her metal-working machinery.

The conflict in Europe made Japan almost completely dependent upon the United States for the sinews of war. Of all the basic materials needed to keep a war machine running, only one—oil—is available elsewhere—in the Netherlands Indies. And now this source is being cut off by the Dutch.

Today, there is only a trickle of trade between the United States and Japan. Most products can be sold to Japan only with a license issued by our government. Detailed figures have not been published during recent months, but for the first three months of this year there was a sharp decline. For example, in March of this year, we sold only \$10,000,000 worth of goods to Japan—a reduction of nearly \$8,000,000 from March 1940. There was a decline of nearly 50 per cent between the first three months of this year and the first quarter of 1940.

Possible Effects

What effect will the British-American-Dutch campaign have upon the Japanese? Will it bring chaos and economic paralysis to Japan?

Much will depend upon the quantities of materials Japan has already stored. She has large oil reserves—how large or how long they will last no one knows—perhaps six months, perhaps a year. In the long run, however, she must get oil from the Americans, British, or Dutch.

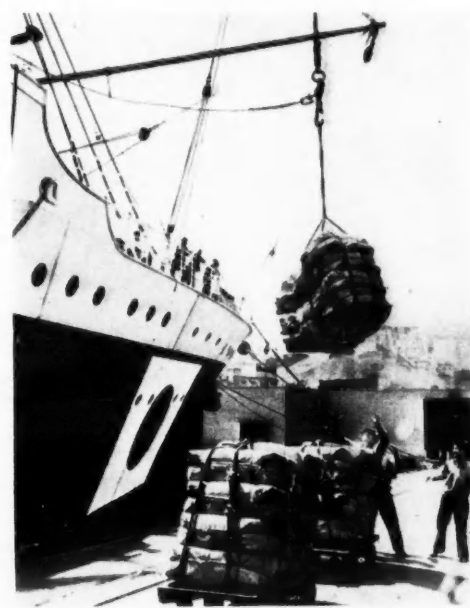
Japan is also dependent upon the three countries for many other materials. Three-fourths of her iron ore has been supplied by the United States and Britain.

She has hardly enough copper for peacetime needs. Lead, zinc, tin, aluminum, nickel, manganese, chromium, and many other materials vital to her are produced either in insufficient quantities or not at all.

Two Japanese industries will feel immediate effects. The silk and cotton textile industries are the foundations of Japan's economy. A large proportion of the Japanese farmers (some 18,000,000 persons) make their livings from silk, and probably one-half of the industrial workers are engaged in textile manufacturing.

Loss of the United States as a market will throw the Japanese silk industry into serious difficulties. Not only will the individual farmers lose their source of income, but Japan will not be able to use the money obtained from the sales of raw silk in this country to purchase badly needed supplies.

Japan is not dependent upon us for raw cotton since she can obtain supplies from other countries, if need be. She has, in fact, been buying less and less cotton from us during



FOREIGN SALES are an important source of income to Japan. Above is one of the last shipments of silk being unloaded from a Japanese vessel in the United States.

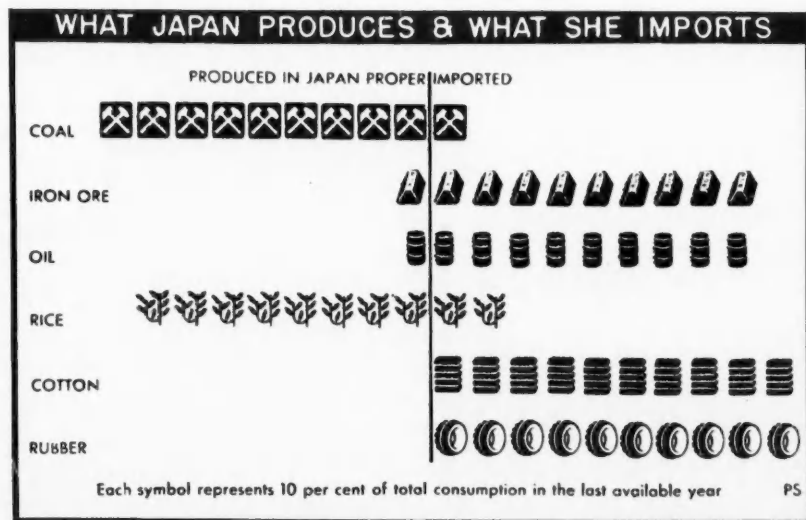
recent years. But she is dependent upon the United States and members of the British Empire as markets for her cotton textiles.

What about the United States? Will we not suffer also as a result of this program?

American industry and agriculture will naturally suffer from the loss of a market which has always ranked third, sometimes second, among our foreign customers. Producers of such things as cotton and other goods that have been sold to Japan will lose heavily.

But the United States is actually dependent upon Japan for only one product—raw silk. Adjustments will have to be made to make up for the loss of silk, but our national survival does not depend upon silk. Our industries can run without it and our people can live without it.

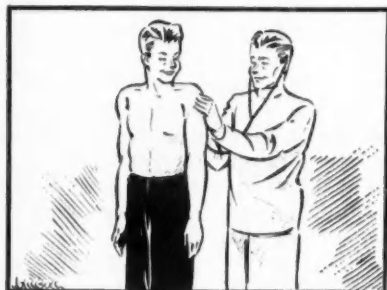
Japan, on the other hand, is vitally dependent upon the United States. Her industries cannot run indefinitely without many of our products. Her armies and armament factories cannot carry on without many of these supplies. Her workers and farmers depend upon foreign trade for their very existence. The entire Japanese economy has been built upon foreign commerce. Whether Japan can survive without it may be determined soon.



FOREIGN PURCHASES play a large part in the economic life of Japan. The Japanese islands are not blessed with an abundance of resources.

IN the chapter "What Good Is Democracy?" of his new book *America*, David Cushman Coyle compares the record of the United States with that of Germany in the important field of health:

Since Hitler came to power the birth rate in Germany has fallen, and the death rate has gone up. Diphtheria death rate in 1938 was four times our own. Death rate from childbed fever went up 55 per cent under Nazi rule; youthful crime, drunkenness, and insanity increased; venereal disease in the Rhine provinces rose 60 per cent



in two years. Accidental deaths rose 25 per cent in four years. The figure that really tells the most about the German people's own opinion of their condition is the suicide rate, which is the highest in the world.

In America, with all our faults, which we hope to correct in our defense health drive, the picture is not so discouraging. Our drafted soldiers average 2 inches taller and 15 pounds heavier than the draftees of 1917. Thousands are rejected merely because we can afford to set a higher standard than in the previous draft. Deaths from measles, scarlet fever, whooping cough, and diphtheria have dropped 31 per cent in a single year. Childbed fever dropped 10 per cent last year to a new low record. Deaths from tuberculosis are down nearly 50 per cent in 10 years, deaths from pneumonia have been cut in half in three years. In America the average lifetime is 16 years longer now than it was in 1910. And the figures that really tell what we think of ourselves and of each other: suicides and murders—are the lowest on record.

Figures can lie, and liars can figure, but the German doctors were probably not lying to themselves. Taking all these figures in a lump, the answer seems to be that more Germans are dying than usual, and many of them are preferring death to life under Hitler. In our country, with all its faults, more Americans are living, and liking it, than ever before.

Singapore

If Japan occupies Thailand, as she seems to be at the point of doing, she will be in a position to threaten Singapore. This may bring her into conflict with Great Britain and perhaps the United States. The Western powers will probably not let the

Japanese seize Singapore if they can prevent it, for Singapore is the key to the control of southeastern Asia.

John Gunther in *Inside Asia*, quotes Field Marshal Lord Roberts as having said that

"the history of the world would be decided at Singapore someday." "There is reason to think," Gunther continues, "that the British are getting ready for the day. For they have built Singapore Base, a new, bigger and better Gibraltar, one of the most formidable concentrations of naval, military, and strategic power ever put together anywhere in the world. . . ."



Singapore

News and Comment

"Singapore is an island. It measures 27 miles by 14, and is connected with the mainland of Asia by a causeway over the Strait of Johore. Probably Manhattan is the only small island in the world to outrank it as an extraordinary combination of geographical position, commercial development, and strategic importance. At the tip of Malaya, where the boats must turn upward for the voyage to China and Japan, it commands the sea route to the East."

A Reviewer's Dilemma

William Allen White, the most quoted editor in the United States, undertook a difficult task the other day—a review of a book about himself; Everett Rich's *William Allen White, the Man from Emporia*. In the opening paragraph of his review in his paper, the *Emporia Gazette*, Mr. White compares his task with one which he undertook many years ago:

Fifty-five years ago or such a matter, when I was a brand new reporter, aged 18, I had a tough assignment, probably the toughest I have ever had in all these years. It was to write a review of a home talent musical show in which my contemporary best girl was one of the stars. The tough assignment was in El Dorado, a little burg of 2,000, and all the town was watching me. If I said it was a good show—about which there were two schools of thought—I knew, even then



William Allen White

I would be accused of using the press corruptly to promote my private interests. If, on the other hand, I said it was a poor show, I wouldn't have any best girl. And if I wrote a piece full of ifs, and buts, nevertheless, and on-the-other-hands, I would be accused of carrying water on both shoulders. And the town could hoot at me. I just cut loose and praised the girl and let public opinion go hang.

Uncensored

The voice of William L. Shirer is known to millions of Americans. For several years he was Berlin cor-

respondent of the Columbia Broadcasting System. Returning to the United States, in December 1940, he settled down to assemble his uncensored notes, material which he was never permitted to include in his broadcasts. His book, *Berlin Diary*, has become a best seller. Here is what he jotted down in his notebook on August 26, 1940:

We had our first big air raid of the war last night. . . . For the first time British bombers came directly over the city, and they dropped bombs. The concentration of antiaircraft fire was the greatest I've ever witnessed. It provided a magnificent, a terrible sight. And it was strangely ineffective. Not a plane was brought down; not one was even picked up by the searchlights, which flashed back and forth frantically across the skies throughout the night.



William Shirer

The Berliners are stunned. They did not think it could happen. When this war began, Goering assured them it couldn't. . . . The Berliners are a naïve and simple people. They believed him. Their disillusionment today therefore is all the greater. You have to see their faces to measure it. . . .

Today the bombing is the one topic of conversation among Berliners. It's especially amusing therefore to see that Goebbels (the propaganda minister) has permitted the local newspapers to publish only a six-line communique about it, to the effect that enemy planes flew over the capital, dropped a few incendiary bombs on two suburbs, and damaged one wooden hut in a garden. There is not a line about the explosive bombs which we all plainly heard. Nor is there a word about the three streets in Berlin which have been roped off all day today to prevent the curious from seeing what a bomb can do to a house. . . .

What We Can Do

Can the United States defeat Hitler without going to war? Yes, says Louis Marlio, a French economist who has been visiting the United States, studying its productive capacity. His findings are reported in a pamphlet, *A Short War Through American Industrial Superiority* (Washington: The Brookings Insti-

Something to Think About

Prices

1. How much did prices rise during the World War? What reason is there to think that they may rise similarly during the present crisis?
2. What would be the effect of such a rise in prices on wage earners? salaried classes? the defense program? business stability?
3. What has the OPACS done to curb prices?
4. What are the provisions of the price control bill now before Congress?
5. How may price rises be prevented by the levying of higher taxes or by the selling of bonds to the public?

Japanese-American Trade

1. Why has the United States taken economic measures against Japan now, when we refused to act a few years ago?
2. How do we rank as a customer of Japan and how does she rank among our foreign customers?
3. What two Japanese industries are

particularly affected by trade with the United States?

4. Why is foreign trade vital to Japan's economic well-being?
5. What effect do you think the British-American-Dutch trade war will have upon Japan? Why?

Miscellaneous

1. How does the production of such important defense items as airplanes, light and medium tanks, Garand rifles, compare today with a year ago?
2. What steps are being taken to meet the gasoline shortage in the eastern states?
3. In what important work is Leon Henderson now engaged?
4. Why is the Caucasus important to Soviet Russia?

Pronunciations

Caucasus—ko'ka-sus.
Pétain—pay'tan.
Reza Shah Pahlevi—ray'zah shah' pah'-lay-vee.
Vichy—vee'shee'.



Speaking of pincer movements
CARMACK IN C.B. MONITOR

tution. 25c). Here are his important conclusions:

1. The fundamental reason for the German victories has been the massive and combined use of mechanical equipment—planes, tanks, submarines, etc.—and the reestablishment and intensification of offensive tactics.
2. Thanks to the industrial potentialities of the United States, to its methods of mass production, to its capacity for swift plant construction, this country is able to multiply its present armament production by three or four times in a relatively short period.
3. Germany is incapable of matching such an armament effort, in quantitative terms. This is because she has long been operating at peak capacity and because she lacks both the natural resources and the technical and mechanical means for an immediate expansion program of such magnitude.
4. Of equal importance, even a partial matching of the American expansion program would involve for Germany one or two years more time.

"Lull Psychology"

In recent months a number of American newspapermen have gone to England to see for themselves how Britain is carrying on the struggle against the Axis. Among them is Raymond Clapper, the well-known



"Apart from our dear Fuehrer, is there anything else on the menu?"

A cartoon from not-so-grim London.

Washington columnist for the Scripps-Howard newspapers. Here are a few of his observations:

London is not so grim as Clapper had expected, but on the contrary confident if not even buoyant. In fact, there exists what the newspapers call a "lull psychology," which one paper describes as Britain's No. 1 Fifth Columnist.

The American film, *Gone With the Wind*, is breaking all records in London. Dining rooms and dance floors in the big hotels are crowded. Laughter and music come out through curtained windows as one walks home through blacked-out streets. The streets are busy during shopping hours.

You know that under the brave face of London there is the silent agony of the war that reaches everywhere. You can never forget the women standing on the railroad platforms waving and smiling as the trains leave.

Women are being used in the war effort in ways hitherto reserved for men. The extent to which this is taking place would be surprising if the full details were known. Women are being used even for some work where physical strength is the main requirement—on the basis of four women doing one man's job.